

FINDINGS AND IMPLICATIONS OF THE FAMILY OPTIONS STUDY

An Analysis by the National Alliance to End Homelessness July, 2015

The Family Options Study is a randomized control study examining the effectiveness and cost of three crisis interventions (transitional housing, rapid re-housing and usual care) in helping homeless families. It also re-examines the effectiveness of long-term housing subsidies. The Study's findings on the relative effectiveness of crisis interventions are of particular interest, as housing subsidies are so rarely available to help families that become homeless.

Of the crisis interventions that communities typically have available to help families that become homeless, the Study found that **rapid re-housing had by far the lowest cost and was as, if not more, effective** than the other crisis interventions. **Transitional housing was the most expensive** by a considerable magnitude, but it had no better, and in some respects poorer, outcomes compared to the other crisis interventions.

The Study reconfirmed the **success of the long-term housing subsidy in ending family homelessness** and keeping families housed. Its short-term costs are similar to those of crisis interventions, but its **higher long-term costs** extend beyond the time frame of this report and therefore were not assessed.

EFFECTIVENESS¹.

The Study compared the impact of the *offer* of a specific intervention (as opposed to the impact of *enrolling or participating* in that intervention). Since families were not required to enroll in their assigned intervention – and often did not -- the impact of the actual interventions is difficult to determine in some instances.

Crisis Interventions

The outcomes of assignment of families to the three crisis interventions are largely similar. This is most likely because the majority of the families ended up receiving usual care². In particular, the comparisons of outcomes based on assignment to transitional housing and rapid re-housing are not robust.

¹ The effectiveness portion of the Study evaluates family outcomes based on their *assignment* to a particular intervention, even though the majority of families assigned to rapid re-housing and transitional housing did not end up *enrolling* in those programs. The cost portion of the Study assesses the cost of the actual intervention.

² The majority of families in the Study received “usual care” although many were assigned to other interventions. Usual care was the control group: families that did not receive a specific intervention were left on their own to access whatever intervention(s) they could (the options being shelter, transitional housing, rapid re-housing or subsidy). Of the 2,299 families in the Study, 746 were assigned to and received usual care. However, families that were assigned to another specific intervention but did not enroll in that intervention essentially reverted to usual care (i.e., accessed what they could on their own). 751 families entered usual care in this way. Thus, a total of 1,497 families – 65% of all the families in the Study – were actually receiving usual care.

- **Rapid Re-Housing:** Assignment to rapid re-housing produced the same or slightly better outcomes than assignment to other crisis interventions. Since over half of people assigned to rapid re-housing did not take it up, it is difficult to discern the impact of the actual intervention.
- **Transitional Housing:** Assignment to transitional housing produced the same or slightly worse outcomes than assignment to other crisis interventions. Since over two-thirds of people assigned to transitional housing did not take it up, it is difficult to discern the impact of the actual intervention.
- **Usual Care:** Assignment to, or receipt of usual care did not produce significantly better or worse outcomes than assignment to other crisis interventions.

Long-Term Subsidy

- Long term housing subsidy was the most effective intervention in ending family homelessness. Since most families that were assigned to subsidy took it up, these findings cover the actual use of subsidies as well.

COST

The Study compared costs of the *actual* interventions (not only *assignment* to the interventions). The Study presents monthly and per episode/per family costs of the interventions.

Crisis Interventions

- **Rapid Re-Housing:** Had the lowest cost at **\$6,578** per stay by a family. The majority of the funding was for housing subsidy and a small amount was for services
- **Emergency Shelter:** Cost **\$16,829** per stay by a family. Note that cost is the only area of the Study in which emergency shelter is examined separately. The majority of the money was spent on services, versus the physical shelter.
- **Transitional Housing:** By far the most expensive intervention at **\$32,557** per stay by a family. Slightly more was spent on the “housing” than on the services.

Long-Term Subsidy

- **Subsidy:** Cost **\$18,821** per stay by a family. It is important to note that unlike the crisis interventions, families may continue to receive housing subsidy for as long as they maintain their low income eligibility. Thus costs will continue to accrue over time -- the ultimate cost of the intervention is not covered in this report.

OVERALL FINDINGS AND POLICY IMPLICATIONS

The Alliance draws the following conclusions from the Study:

- **Rapid Re-Housing Is The Most Promising Of The Crisis Interventions:** According to the Study, rapid re-housing stands out as the program most capable of helping the greatest number of families exit homelessness in the shortest time possible. It is also the least expensive.
- **Dollars Tied To Transitional Housing Need To Be Reconsidered:** According to the Study, crisis intervention methods like rapid re-housing perform at least as well as transitional housing, but at a significantly lower cost.
- **More Affordable Housing Is Needed:** The study reconfirms the impact of the affordable housing crisis on homelessness by providing evidence that when housing subsidies are available, they are the most effective solution for homeless families. The nation should urgently prioritize the investment in affordable housing.

THE FAMILY OPTIONS STUDY

The U.S. Department of Housing and Urban Development's Office of Policy Development and Research commissioned the Family Options Study with the purpose of discovering what housing and service interventions work best for homeless families. Overall, 2,282 families in 12 communities were enrolled in the Study between September 2010 and January 2012. Families were assigned to a specific intervention, but were not required to participate in that intervention. In fact, many families did not enroll in the intervention to which they were assigned. Families that were assigned to an intervention, but did not enroll, were still included in the analysis as part of the group to which they were referred. A table showing *Interventions in the Family Options Study*, at the end of this Analysis, describes the interventions studied, the number of families assigned to each intervention and the number of families that actually enrolled in the assigned intervention.

The data in this report is based on survey data collected 20 months after random assignment. The survey collected data on five domains, based on what intervention a family had been assigned to. The domains are: housing stability, family preservation, adult well-being, child well-being, and self-sufficiency. Approximately 81 percent of the randomly assigned families participated in the 20-month follow up survey.

INTERVENTIONS IN THE FAMILY OPTIONS STUDY

INTERVENTION	DEFINITION	INTERVENTION CHARACTERISTICS	NUMBER OF FAMILIES ASSIGNED	NUMBER OF FAMILIES ENROLLED (%)
RAPID RE-HOUSING	Temporary rent assistance paired with time-limited services.	During the Study period, rapid re-housing assistance was limited to 18 months as the primary funding source for rapid re-housing was the Homelessness Prevention and Rapid Re-Housing Program (HPRP). The characteristics of the rapid re-housing assistance provided to families during the Study -- including the length and depth of assistance, case management ratios, and services provided -- varied significantly among Study sites.	578	263 (45.5%)
PROJECT-BASED TRANSITIONAL HOUSING	Temporary housing in agency-controlled buildings or apartments, paired with intensive services.	Project-based transitional housing assistance was limited to 24 months. The characteristics of the transitional housing assistance provided to families during the Study -- including the type of living space, case management ratios, and services provided -- varied significantly among Study sites.	371	106 (28.6%)
USUAL CARE	Any housing or services that a family accessed in the absence of a direct referral.	This intervention typically included a stay in the emergency shelter from which the family was recruited to the Study. Any interventions they subsequently accessed were through their own means or through the assistance of shelter staff	746	746 (100%)

		and could include subsidy, transitional housing, and rapid re-housing.		
HOUSING SUBSIDY	A permanent housing subsidy, usually a Housing Choice (Section 8) Voucher.	No services were attached to the permanent rent subsidy beyond assistance finding housing.	604	433 (71.7%)

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- *Assignment and enrollment data from Table 1 comes from the Family Options Study interim report published March 2013. Enrollment data included in the July 2015 report differ slightly, but not significantly.